

As a result -- and as predicted -- despite extensive negotiations involving significant commitment of resources, MCIIm still does not have a fully-agreed Interconnection Agreement with SWBT. Lengthy open-ended negotiations having failed, MCIIm files herewith an Interconnection Agreement for approval by the Commission on reconsideration of its Arbitration Order. This Interconnection Agreement meets the standards of Section 252 of the FTA.

II. Discussion

MCIIm and SWBT have spent literally thousands of employee-hours conducting negotiations regarding the Interconnection Agreement filed herewith. However, despite these efforts, the Interconnection Agreement filed herewith is not fully agreed. This is not a result of a lack of commitment or diligence on MCIIm's part. Nor is it the result of a failure to fully review and explore any issue. All sections of the agreement were reviewed and discussed by teams of negotiators for both sides. The simple truth is that without further action by the Commission, either by way of reconsideration of the evidence, interpretation of the relevant law and/or the Arbitration Order, or by way of deciding an issue for the parties, full agreement cannot be reached with SWBT.

The submitted Interconnection Agreement is coded for the Commission's convenience in reviewing its provisions.² All portions of the agreement which are agreed between the parties are shown in normal typeface, except that all such agreed portions which derive from the Arbitration Order (that is, track the language of the Award), are in *italics*. All language over which there remains disagreement between MCIIm and SWBT has been placed in **bold**, as follows: MCI positions

²Additionally, MCIIm will submit a matrix highlighting disputed areas and providing a summary rationale of its positions on such areas.

are in regular **bold**, provisions of the Arbitration order are in *bold italics*, and SWBT positions are in **bold underline**.³

MCIm provided a copy of the submitted Interconnection Agreement to SWBT for its review more than ten (10) days before submitting it to the Commission. At SWBT's request, MCIm made a number of changes to the Agreement at the "last minute" before filing it with the Commission. However, full agreement still was unreachable.

MCIm asks the Commission to approve the Interconnection Agreement with the **bold** and *bold italics* sections, but not the **bold underline** sections, consistent with the evidence and the Arbitration Order. The provisions contained in the attached Interconnection Agreement, other than the **bold underline** sections, fully capture the Arbitration Order and comply with the applicable law.

MCIm requests the Commission to resolve all disputed provisions by approving the language proposed by MCIm in the submitted Interconnection Agreement. The Commission should not simply remove those provisions from the contract and send the parties back to the negotiating table yet again. As noted above, there is no realistic hope of resolution through negotiation. In order for these disagreements to be resolved, the Commission must act.

MCIm filed an Interconnection Agreement with the Commission as part of the arbitration and put at issue each provision thereof. With SWBT having failed to show that the contract was unreasonable, that contract should have served as the default agreement between the parties because its filing by MCIm established a prima facie case on behalf of MCIm as petitioner. This result, not an interconnection agreement with gaps and holes, is the result that should have obtained for MCIm.

³The **bold underline** sections were left in at SWBT's request, although it asked that most such provisions be deleted before submission of the Interconnection Agreement. MCIm does not agree to the **bold underline** sections or seek approval of these sections.

While the Commission did not initially follow such a course, it can and should do so now by approving the Interconnection Agreement submitted herewith.

The Commission can, as part of an existing arbitration, deal with persistent problems that the parties are unable to decide by negotiation. The Commission has the benefit of the entire record developed in the consolidated proceedings if it acts now to decide the issues that persist between MCIIm and SWBT. MCIIm does not believe that an additional contested case is needed to decide these issues that may almost certainly be decided on the existing record. Indeed, MCIIm believes that most of the vexing issues are matters of legal interpretation or common sense which the Commission may undertake without an evidentiary hearing.

On this latter point, where the interpretation of a statute or Commission order is at issue, it is unrealistic to believe that either party will yield to the other where legitimate differences of legal opinion exist. The simple business reality is that both parties must have a definitive answer from the Commission before either may act. Stated another way, until the parties have a firm understanding of the legal framework, they cannot decide issues which will fundamentally impact on how they do business into the next century.

Finally, without the Commission's help in resolving the remaining disagreements between MCIIm and SWBT, there may not be a complete and fully operational interconnection agreement in place for many more months - if ever. Many of the disagreements between MCIIm and SWBT are over provisions which are necessary for MCIIm to have parity with SWBT in the provision of service. If these provision are deleted from the contract, then MCIIm will be at a competitive disadvantage to SWBT and be subject to possible discriminatory treatment by SWBT. This circumstance is not what Congress contemplated under the FTA. It is within the Commission's power to decide these issues

in this proceeding and MCIIm requests it do so and approve the language contained in the submitted Interconnection Agreement.

Any delay in the execution of a complete interconnection agreement inures to the benefit of SWBT and delays competitive choice for Missouri consumers. MCIIm has tried to limit the issues which need to be litigated. But in an agreement as complex and as important as this one, it should not be surprising that there may be significant sticking points even at this time. These issues need to be resolved so that competition can start in Missouri as envisioned by Congress in the FTA.

For example, MCIIm and SWBT disagree over the ability, under the law, of MCIIm to order combinations of unbundled elements. In the Arbitration Order, the Commission held SWBT could not impose restrictions on use of unbundled network elements. See Arbitration Order at p. 13. Likewise, in the AT&T/GTE Arbitration Order, the Commission held there can be no restrictions on combinations of unbundled network elements. See Arbitration Order, Case No. TO-97-63, p. 34-35. Nonetheless, SWBT balks at allowing MCIIm to order “combinations” of unbundled network elements, as reflected in the many places in the attached interconnection agreement where language using the word “combination” is bolded. This is precisely the kind of issue the Commission should resolve as part of this proceeding as contemplated by its own rules. MCIIm therefore requests the Commission adopt MCIIm’s position and language on this issue in this proceeding.

Moreover, the same applies to addressing such issues as those involving (1) the ownership of intraLATA toll for customers of MCIIm serviced through resale or unbundled network elements; (2) SWBT’s demand for additional non-recurring charges for unbundled network elements; (3) the use by MCIIm of unbundled network elements in combination with resold SWBT services to provide service to its customers; (4) as well as numerous other areas of disagreement highlighted in the

submitted Interconnection Agreement. These issues simply will not be resolved by negotiation and they require the Commission to interpret the law or the Arbitration Order or both. They must be resolved for MCIm to have a complete, nondiscriminatory agreement which will allow it to provide service at parity with SWBT.

In conclusion, MCIm believes that the submitted Interconnection Agreement -- minus SWBT's **bold underline** language -- is consistent with the public interest in furthering local competition in Missouri, complies with the Arbitration Order, and otherwise meets the requirements of the relevant provisions of the FTA, including §§ 251 and 252, and should be approved so that MCIm may begin to provide basic local telecommunications choices to Missouri consumers.⁴

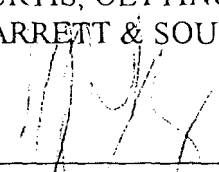
III. Prayer

WHEREFORE, PREMISES CONSIDERED, MCIm prays the Commission to approve the submitted Interconnection Agreement without the **bold underline** language proposed by SWBT. To this end MCIm further prays the Commission to resolve all disputes between MCIm and SWBT and to conduct such proceedings as the Commission may find are necessary or convenient to the resolution of these issues. Finally, MCIm prays for such additional relief as it may show itself to be justly entitled.

⁴By requesting approval of the Interconnection Agreement, MCIm is not waiving any rights it may have to appeal any portion of the Arbitration Order, which rights it hereby explicitly reserves. MCIm also recognizes that the arbitrated prices are being reviewed. By its request to have the Interconnection Agreement approved, MCIm is also not waiving any right it has to challenge the prices contained in the Agreement, or any prices established on reconsideration. Nor does MCIm intend to waive any other right it may have associated with this arbitration by this request.

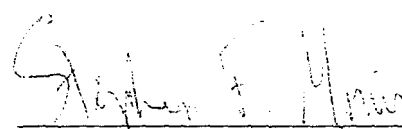
Respectfully Submitted,

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Certificate of Service

A true and correct copy of the foregoing was mailed this 16 day of June, 19 97, by placing same in the U.S. Mail, postage paid to the persons listed on the attached list.

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